

Utah gasoline reps deny keeping prices artificially inflated

By Lesley Mitchell
The Salt Lake Tribune

Refinery and gas station representatives on Tuesday denied any effort to keep gasoline prices in Utah artificially high amid a state investigation into why prices remain at the fourth-highest level in the country.

However, despite repeated questioning by Utah Commerce Department director Francine Giani, two representatives of Utah's refinery and gas retailing industry provided no definitive answers as to why gas prices in Utah are so comparatively high.

On Tuesday, gasoline prices in Utah averaged \$2.88 per unleaded gallon, compared with an average of \$2.49 nationally. Only Idaho, Hawaii and Alaska have higher average prices. Gas prices in some other states are close to \$2 a gallon as oil prices continue to fall to six-month lows.

Giani said the nearly 40-cent discrepancy between Utah's prices and the national average is "a situation that begs an explanation."

Lee Peacock, president of the Utah Petroleum Association, a trade group that represents the state's oil producers and refiners, suggested that demand in Utah is high, which tends to drive prices higher.

John Hill, director of the Utah Petroleum Marketers and Retailers Association, said station owners are using up gasoline purchased at higher prices in recent weeks. He said prices will fall as they purchase wholesale gasoline at lower prices.

Giani questioned why gasoline prices have not fallen more quickly, given the fact that the wholesale "rack price" at the state's refineries has dropped significantly in recent weeks. She said she wants proof that gasoline station owners are still using up gasoline purchased at higher prices. She also said she wants more information about the state's five refineries.

Hill and Peacock said they would try, but would not guarantee, that individual businesses would provide information to Giani, who in turn reiterated again that such information is needed in her investigation.

Peacock said that generally Salt Lake gasoline prices are "slower to go up and slower to go down," adding later that consumers should be patient because Utah prices are clearly going down. "This is a matter of timing," he said. "It's hard for consumers to understand."

Consumers continue to call Utah agencies with their concerns.

Terence Fugazzi, of South Jordan, wants more answers beyond what the gas and oil industry has been providing.

But Fugazzi said the whole issue may be a moot point in a couple of weeks. He and his wife on Tuesday noticed a few stations in the Salt Lake Valley were advertising \$2.72 per gallon, 17 cents less than \$2.89 he paid a week ago.

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